

911 COORDINATING COUNCIL
ECONOMIC IMPACT STATEMENT

K.A.R. 132-4-1

I. Summary of Proposed Regulation, including its Purpose.

K.A.R. 132-4-1 establishes a regulation that authorizes the 911 Coordinating Council (Council) to assess civil penalties against providers that fail to comply with the provisions of the Kansas 911 Act (Act) (L. 2011, ch. 84, secs. 1-19 and 25 and amendments thereto).

Under the terms of the regulation, a provider can be deemed to be in delinquent status if it (1) failed to submit the provider's contact information on or before January 1, 2012, in the form and containing the information required by the Council to the Council or the Council's designee; (2) has not previously provided service in Kansas and fails to submit the provider's contact information within three months of first offering services in Kansas, in the form and containing the information required by the Council to the Council or the Council's designee; or (3) fails to notify the Council or the Council's designee within 30 days of any change in the provider's contact information; or (4) fails to submit 911 fees and the return in the form required by the LCPA to the LCPA on or before the 30th of each calendar month following a return for the preceding month.

The penalty of \$500 a day or 10% of the 911 fees due from a delinquent provider for the corresponding month, whichever is greater, is to be assessed by written order of the Council or the Council's designee against any provider that is determined to be in delinquent status.

Written notice of the penalty assessment, the violation, and the right to a hearing is to be issued by the Council.

The regulation requires any civil penalties to be remitted to the Council or the Council's

designee.

The Council or a duly authorized agent of the council is required to administer the processes for determining and assessing penalties and hearing any appeals of the penalties in accordance with the provisions of the Kansas Administrative Procedures Act (KAPA).

II. Reason or Reasons the Proposed Regulation Is Required, Including Whether or Not the Regulation Is Mandated by Federal Law.

The adoption of rules and regulations addressing civil penalties is authorized by the Kansas 911 Act (L. 2011, ch. 84, secs. 1-19 and 25 and amendments thereto). This regulation is not mandated by federal law and therefore, the regulation does not exceed the requirements of federal law.

III. Anticipated Economic Impact upon the 911 Coordinating Council.

The economic impact on the Council is minimal. The penalties collected by the Council will be deposited by the LCPA into the 911 State Grant Fund. The expenses related to the Council are paid from the 911 State Grant Fund, however the administrative set aside is capped at 1.5% of the total receipts from service providers and the Department of Revenue. It is not anticipated that deposits from civil penalties will significantly increase the 1.5% administrative set aside.

IV. Anticipated Financial Impact upon Other Governmental Agencies and upon Private Business or Individuals.

The economic impact of other state agencies is minimal or nonexistent. The Council is the only state agency involved with the determination, assessment, collection, and distribution of civil penalties.

V. Anticipated Economic Impact upon Providers.

The economic impact on any provider that does not accurately and timely remit data and fees as required by the Act could be significant depending on the severity and length of the provider's delinquency. K.A.R. 132-4-1 imposes penalties of \$500.00 per day or 10% of the 911 fees due from the delinquent provider for the corresponding month, whichever is greater. The economic impact on providers that fully comply with the data and fee remittance requirement is minimal or nonexistent.

VI. Anticipated Economic Impact upon PSAPs.

The economic impact on PSAPs is potentially positive as any penalties collected will be deposited into the 911 State Grant Fund. The 911 State Grant Fund is open to PSAPs through a competitive application process.

VII. Anticipated Economic Impact upon Subscriber Rates.

The economic impact on subscriber rates could potentially be negative. If a provider is consistently determined to be delinquent and therefore is subject to civil penalties a provider may find it necessary to increase subscriber rates to compensate for losses sustained by assessed civil penalties.